

Adopted	Rejected
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COMMITTEE REPORT

YES:	11
NO:	1

MR. SPEAKER:

*Your Committee on Public Health, to which was referred Senate Bill 503, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:*

- 1 Delete the title and insert the following:
- 2 A BILL FOR AN ACT to amend the Indiana Code concerning
- 3 coverage of health care and to make an appropriation.
- 4 Page 5, between lines 15 and 16, begin a new paragraph and insert:
- 5 "SECTION 2. IC 5-10-8-2.2, AS AMENDED BY P.L.2-2005,
- 6 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 7 JULY 1, 2007]: Sec. 2.2. (a) As used in this section, "dependent"
- 8 means a natural child, stepchild, or adopted child of a public safety
- 9 employee who:
- 10 (1) is less than eighteen (18) years of age;
- 11 (2) is eighteen (18) years of age or older and physically or
- 12 mentally disabled (using disability guidelines established by the
- 13 Social Security Administration); or
- 14 (3) is at least eighteen (18) and less than twenty-three (23) years
- 15 of age and is enrolled in and regularly attending a secondary

1 school or is a full-time student at an accredited college or
2 university.

3 (b) As used in this section, "public safety employee" means a
4 full-time firefighter, police officer, county police officer, or sheriff.

5 (c) This section applies only to local unit public employers and their
6 public safety employees.

7 (d) A local unit public employer may provide programs of group
8 health insurance for its active and retired public safety employees
9 through one (1) of the following methods:

10 (1) By purchasing policies of group insurance.

11 (2) By establishing self-insurance programs.

12 (3) By electing to participate in the local unit group of local units
13 that offer the state employee health plan under section 6.6 of this
14 chapter.

15 **(4) By electing to participate in a state employee health plan**
16 **under section 6.7 of this chapter.**

17 A local unit public employer may provide programs of group insurance
18 other than group health insurance for the local unit public employer's
19 active and retired public safety employees by purchasing policies of
20 group insurance and by establishing self-insurance programs. However,
21 the establishment of a self-insurance program is subject to the approval
22 of the unit's fiscal body.

23 (e) A local unit public employer may pay a part of the cost of group
24 insurance for its active and retired public safety employees. However,
25 a local unit public employer that provides group life insurance for its
26 active and retired public safety employees shall pay a part of the cost
27 of that insurance.

28 (f) A local unit public employer may not cancel an insurance
29 contract under this section during the policy term of the contract.

30 (g) After June 30, 1989, a local unit public employer that provides
31 a group health insurance program for its active public safety employees
32 shall also provide a group health insurance program to the following
33 persons:

34 (1) Retired public safety employees.

35 (2) Public safety employees who are receiving disability benefits
36 under IC 36-8-6, IC 36-8-7, IC 36-8-7.5, IC 36-8-8, or IC 36-8-10.

37 (3) Surviving spouses and dependents of public safety employees
38 who die while in active service or after retirement.

(h) A retired or disabled public safety employee who is eligible for group health insurance coverage under subsection (g)(1) or (g)(2):

(1) may elect to have the person's spouse, dependents, or spouse and dependents covered under the group health insurance program at the time the person retires or becomes disabled;

(2) must file a written request for insurance coverage with the employer within ninety (90) days after the person retires or begins receiving disability benefits; and

(3) must pay an amount equal to the total of the employer's and the employee's premiums for the group health insurance for an active public safety employee (however, the employer may elect to pay any part of the person's premiums).

(i) Except as provided in IC 36-8-6-9.7(f), IC 36-8-6-10.1(h), IC 36-8-7-12.3(g), IC 36-8-7-12.4(j), IC 36-8-7.5-13.7(h), IC 36-8-7.5-14.1(i), IC 36-8-8-13.9(d), IC 36-8-8-14.1(h), and IC 36-8-10-16.5 for a surviving spouse or dependent of a public safety employee who dies in the line of duty, a surviving spouse or dependent who is eligible for group health insurance under subsection (g)(3):

(1) may elect to continue coverage under the group health insurance program after the death of the public safety employee;

(2) must file a written request for insurance coverage with the employer within ninety (90) days after the death of the public safety employee; and

(3) must pay the amount that the public safety employee would have been required to pay under this section for coverage selected by the surviving spouse or dependent (however, the employer may elect to pay any part of the surviving spouse's or dependents' premiums).

(j) A retired or disabled public safety employee's eligibility for group health insurance under this section ends on the earlier of the following:

(1) When the public safety employee becomes eligible for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq.

(2) When the employer terminates the health insurance program for active public safety employees.

(k) A surviving spouse's eligibility for group health insurance under this section ends on the earliest of the following:

(1) When the surviving spouse becomes eligible for Medicare

- 1 coverage as prescribed by 42 U.S.C. 1395 et seq.
- 2 (2) When the unit providing the insurance terminates the health
- 3 insurance program for active public safety employees.
- 4 (3) The date of the surviving spouse's remarriage.
- 5 (4) When health insurance becomes available to the surviving
- 6 spouse through employment.
- 7 (l) A dependent's eligibility for group health insurance under this
- 8 section ends on the earliest of the following:
- 9 (1) When the dependent becomes eligible for Medicare coverage
- 10 as prescribed by 42 U.S.C. 1395 et seq.
- 11 (2) When the unit providing the insurance terminates the health
- 12 insurance program for active public safety employees.
- 13 (3) When the dependent no longer meets the criteria set forth in
- 14 subsection (a).
- 15 (4) When health insurance becomes available to the dependent
- 16 through employment.
- 17 (m) A public safety employee who is on leave without pay is entitled
- 18 to participate for ninety (90) days in any group health insurance
- 19 program maintained by the local unit public employer for active public
- 20 safety employees if the public safety employee pays an amount equal
- 21 to the total of the employer's and the employee's premiums for the
- 22 insurance. However, the employer may pay all or part of the employer's
- 23 premium for the insurance.
- 24 (n) A local unit public employer may provide group health
- 25 insurance for retired public safety employees or their spouses not
- 26 covered by subsections (g) through (l) and may provide group health
- 27 insurance that contains provisions more favorable to retired public
- 28 safety employees and their spouses than required by subsections (g)
- 29 through (l). A local unit public employer may provide group health
- 30 insurance to a public safety employee who is on leave without pay for
- 31 a longer period than required by subsection (m), and may continue to
- 32 pay all or a part of the employer's premium for the insurance while the
- 33 employee is on leave without pay.
- 34 SECTION 3. IC 5-10-8-2.6, AS AMENDED BY P.L.1-2005,
- 35 SECTION 76, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 36 JULY 1, 2007]: Sec. 2.6. (a) This section applies only to local unit
- 37 public employers and their employees. This section does not apply to
- 38 public safety employees, surviving spouses, and dependents covered by

1 section 2.2 of this chapter.

2 (b) A public employer may provide programs of group insurance for
3 its employees and retired employees. The public employer may,
4 however, exclude part-time employees and persons who provide
5 services to the unit under contract from any group insurance coverage
6 that the public employer provides to the employer's full-time
7 employees. A public employer may provide programs of group health
8 insurance under this section through one (1) of the following methods:

9 (1) By purchasing policies of group insurance.

10 (2) By establishing self-insurance programs.

11 (3) By electing to participate in the local unit group of local units
12 that offer the state employee health plan under section 6.6 of this
13 chapter.

14 **(4) By electing to participate in a state employee health plan**
15 **under section 6.7 of this chapter.**

16 A public employer may provide programs of group insurance other
17 than group health insurance under this section by purchasing policies
18 of group insurance and by establishing self-insurance programs.
19 However, the establishment of a self-insurance program is subject to
20 the approval of the unit's fiscal body.

21 (c) A public employer may pay a part of the cost of group insurance,
22 but shall pay a part of the cost of group life insurance for local
23 employees. A public employer may pay, as supplemental wages, an
24 amount equal to the deductible portion of group health insurance as
25 long as payment of the supplemental wages will not result in the
26 payment of the total cost of the insurance by the public employer.

27 (d) An insurance contract for local employees under this section
28 may not be canceled by the public employer during the policy term of
29 the contract.

30 (e) After June 30, 1986, a public employer shall provide a group
31 health insurance program under subsection (g) to each retired
32 employee:

33 (1) whose retirement date is:

34 (A) after May 31, 1986, for a retired employee who was a
35 teacher (as defined in IC 20-18-2-22) for a school corporation;
36 or

37 (B) after June 30, 1986, for a retired employee not covered by
38 clause (A);

- 1 (2) who will have reached fifty-five (55) years of age on or before
 2 the employee's retirement date but who will not be eligible on that
 3 date for Medicare coverage as prescribed by 42 U.S.C. 1395 et
 4 seq.;
- 5 (3) who will have completed twenty (20) years of creditable
 6 employment with a public employer on or before the employee's
 7 retirement date, ten (10) years of which must have been
 8 completed immediately preceding the retirement date; and
- 9 (4) who will have completed at least fifteen (15) years of
 10 participation in the retirement plan of which the employee is a
 11 member on or before the employee's retirement date.
- 12 (f) A group health insurance program required by subsection (e)
 13 must be equal in coverage to that offered active employees and must
 14 permit the retired employee to participate if the retired employee pays
 15 an amount equal to the total of the employer's and the employee's
 16 premiums for the group health insurance for an active employee and if
 17 the employee, within ninety (90) days after the employee's retirement
 18 date files a written request with the employer for insurance coverage.
 19 However, the employer may elect to pay any part of the retired
 20 employee's premiums.
- 21 (g) A retired employee's eligibility to continue insurance under
 22 subsection (e) ends when the employee becomes eligible for Medicare
 23 coverage as prescribed by 42 U.S.C. 1395 et seq., or when the
 24 employer terminates the health insurance program. A retired employee
 25 who is eligible for insurance coverage under subsection (e) may elect
 26 to have the employee's spouse covered under the health insurance
 27 program at the time the employee retires. If a retired employee's spouse
 28 pays the amount the retired employee would have been required to pay
 29 for coverage selected by the spouse, the spouse's subsequent eligibility
 30 to continue insurance under this section is not affected by the death of
 31 the retired employee. The surviving spouse's eligibility ends on the
 32 earliest of the following:
- 33 (1) When the spouse becomes eligible for Medicare coverage as
 34 prescribed by 42 U.S.C. 1395 et seq.
- 35 (2) When the employer terminates the health insurance program.
- 36 (3) Two (2) years after the date of the employee's death.
- 37 (4) The date of the spouse's remarriage.
- 38 (h) This subsection does not apply to an employee who is entitled

to group insurance coverage under IC 20-28-10-2(b). An employee who is on leave without pay is entitled to participate for ninety (90) days in any group health insurance program maintained by the public employer for active employees if the employee pays an amount equal to the total of the employer's and the employee's premiums for the insurance. However, the employer may pay all or part of the employer's premium for the insurance.

(i) A public employer may provide group health insurance for retired employees or their spouses not covered by subsections (e) through (g) and may provide group health insurance that contains provisions more favorable to retired employees and their spouses than required by subsections (e) through (g). A public employer may provide group health insurance to an employee who is on leave without pay for a longer period than required by subsection (h), and may continue to pay all or a part of the employer's premium for the insurance while the employee is on leave without pay.

SECTION 4. IC 5-10-8-6.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 6.7. (a) As used in this section, "state employee health plan" means:**

(1) a self-insurance program established under section 7(b) of this chapter to provide group health coverage; or

(2) a contract with a prepaid health care delivery plan entered into by the state personnel department under section 7(c) of this chapter.

(b) The state personnel department shall allow a local unit to provide coverage of health care services for employees of the local unit through any state employee health plan available to state employees.

(c) If a local unit provides health coverage for employees or retired employees of the local unit, the local unit may elect to provide the health coverage, and the state personnel department shall allow the local unit to provide the health coverage:

(1) through a state employee health plan as provided in this section; and

(2) as described in section 2.2 or 2.6 of this chapter, whichever is applicable to the employees or retired employees of the local unit for whom health coverage is being provided.

(d) A local unit employee who receives coverage of health care services under a state employee health plan under subsection (c) must:

- (1) receive coverage equal to the coverage provided to state employees under the state employee health plan; and
- (2) be allowed to choose the state employee health plan under which the local unit employee will be covered.

(e) The total premium rate that is charged to a local unit for coverage of an employee of the local unit under a state employee health plan under this section must be the same total premium rate that is charged to the state for the same coverage for an employee of the state.

SECTION 5. IC 5-10-8-6.8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6.8. (a) As used in this section, "small employer" means a private employer, including a nonprofit organization, that employs at least two (2) but not more than fifty (50) full-time employees.

(b) As used in this section, "state employee health plan" means:

- (1) a self-insurance program established under section 7(b) of this chapter to provide group health coverage; or
- (2) a contract with a prepaid health care delivery plan entered into by the state personnel department under section 7(c) of this chapter.

(c) The state personnel department shall allow a small employer to provide coverage of health care services for employees of the small employer under any state employee health plan available to state employees.

(d) IC 27-8-15 does not apply to coverage provided to employees of a small employer under this section.

(e) A small employer's employee who receives coverage of health care services under a state employee health plan under subsection (c) must:

- (1) receive coverage equal to the coverage provided to state employees under the state employee health plan; and
- (2) be allowed to choose the state employee health plan under which the employee will be covered.

(f) The total premium rate that is charged to a small employer

for coverage of an employee of the small employer under a state employee health plan under this section must be the same total premium rate that is charged to the state for the same coverage for an employee of the state.

SECTION 6. IC 6-3.1-31 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

Chapter 31. Employee Wellness Program Tax Credit

Sec. 1. As used in this chapter, "pass through entity" means:

- (1) a corporation that is exempt from the adjusted gross income tax under IC 6-3-2-2.8(2);
- (2) a partnership;
- (3) a limited liability company; or
- (4) a limited liability partnership.

Sec. 2. As used in this chapter, "state tax liability" means a taxpayer's total tax liability that is incurred under:

- (1) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax);
- (2) IC 6-5.5 (the financial institutions tax); and
- (3) IC 27-1-18-2 (the insurance premiums tax);

as computed after the application of the credits that under IC 6-3.1-1-2 are to be applied before the credit provided by this chapter.

Sec. 3. As used in this chapter, "taxpayer" means an individual or entity that has any state tax liability.

Sec. 4. As used in this chapter, "wellness program" means a program that rewards:

- (1) overweight employees for losing weight and all employees for maintaining a healthy weight; or
- (2) employees for not using tobacco.

Sec. 5. A taxpayer is entitled to a credit against the taxpayer's state tax liability for a taxable year in an amount equal to fifty percent (50%) of the costs incurred by the taxpayer during the taxable year for providing a wellness program for the taxpayer's employees during the taxable year.

Sec. 6. If a pass through entity is entitled to a credit under section 5 of this chapter but does not have state tax liability against which the tax credit may be applied, a shareholder, partner, or member of the pass through entity is entitled to a tax credit equal

1 to:

2 (1) the tax credit determined for the pass through entity for
3 the taxable year; multiplied by

4 (2) the percentage of the pass through entity's distributive
5 income to which the shareholder, partner, or member is
6 entitled.

7 Sec. 7. (a) If the credit provided by this chapter exceeds the
8 taxpayer's state tax liability for the taxable year for which the
9 credit is first claimed, the excess may be carried forward to
10 succeeding taxable years and used as a credit against the
11 taxpayer's state tax liability during those taxable years. Each time
12 that the credit is carried forward to a succeeding taxable year, the
13 credit is to be reduced by the amount that was used as a credit
14 during the immediately preceding taxable year.

15 (b) A taxpayer is not entitled to any carryback or refund of any
16 unused credit.

17 Sec. 8. To receive the credit provided by this chapter, a taxpayer
18 must claim the credit on the taxpayer's state tax return or returns
19 in the manner prescribed by the department. The taxpayer shall
20 submit to the department all information that the department
21 determines is necessary for the calculation of the credit provided
22 by this chapter."

23 Page 5, between lines 35 and 36, begin a new paragraph and insert:

24 "SECTION 8. IC 12-15-2-13 IS AMENDED TO READ AS
25 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 13. (a) A pregnant
26 woman:

27 (1) who is not described in 42 U.S.C. 1396a(a)(10)(A)(i); and
28 (2) whose family income does not exceed the income level
29 established in subsection (b);
30 is eligible to receive Medicaid.

31 (b) A pregnant woman described in this section is eligible to receive
32 Medicaid, subject to subsections (c) and (d) and 42 U.S.C. 1396a et
33 seq., if her family income does not exceed ~~one~~ **two** hundred ~~fifty~~
34 percent ~~(150%)~~ **(200%)** of the federal income poverty level for the
35 same size family.

36 (c) Medicaid made available to a pregnant woman described in this
37 section is limited to medical assistance for services related to
38 pregnancy, including prenatal, delivery, and postpartum services, and

1 to other conditions that may complicate pregnancy.

2 (d) Medicaid is available to a pregnant woman described in this
3 section for the duration of the pregnancy and for the sixty (60) day
4 postpartum period that begins on the last day of the pregnancy, without
5 regard to any change in income of the family of which she is a member
6 during that time.

7 (e) The office may apply a resource standard in determining the
8 eligibility of a pregnant woman described in this section.

9 SECTION 9. IC 12-15-2-15.8 IS ADDED TO THE INDIANA
10 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
11 [EFFECTIVE JULY 1, 2007]: **Sec. 15.8. An individual who is less**
12 **than nineteen (19) years of age and who is eligible for Medicaid**
13 **under section 14 of this chapter is eligible to receive Medicaid until**
14 **the earlier of the following:**

15 (1) **The end of a period of twelve (12) consecutive months**
16 **following a determination of the individual's eligibility for**
17 **Medicaid.**

18 (2) **The individual becomes nineteen (19) years of age.**

19 SECTION 10. IC 12-15-12-14.5 IS ADDED TO THE INDIANA
20 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
21 [EFFECTIVE JULY 1, 2007]: **Sec. 14.5. (a) This section applies to a**
22 **foster care child who is less than eighteen (18) years of age, is not**
23 **disabled, and is a Medicaid recipient.**

24 (b) **Not later than January 1, 2008, the office shall require a**
25 **Medicaid recipient described in subsection (a) to enroll in the**
26 **risk-based managed care program.**

27 (c) **The office:**

28 (1) **shall apply to the United States Department of Health and**
29 **Human Services for any approval necessary; and**

30 (2) **may adopt rules under IC 4-22-2;**

31 **to implement this section."**

32 Page 28, line 35, delete "(1)", begin a new line triple block indented
33 and insert:

34 **"(i)".**

35 Page 28, line 37, delete "(2)", begin a new line triple block indented
36 and insert:

37 **"(ii)".**

38 Page 28, line 41, delete "(3)", begin a new line triple block indented

- 1 and insert:
- 2 **"(iii)".**
- 3 Page 29, line 3, delete "(4)", begin a new line triple block indented
- 4 and insert:
- 5 **"(iv)".**
- 6 Page 29, line 5, delete "(5)", begin a new line triple block indented
- 7 and insert:
- 8 **"(v)".**
- 9 Page 29, line 7, delete "(6)", begin a new line triple block indented
- 10 and insert:
- 11 **"(vi)".**
- 12 Page 29, line 9, delete "(7)", begin a new line triple block indented
- 13 and insert:
- 14 **"(vii)".**
- 15 Page 29, line 10, delete "subdivisions (1) through (6)," and insert
- 16 **"items (i) through (vi),".**
- 17 Page 29, line 33, delete "IC 12-15-20-2(8)(G)(1)." and insert **"IC**
- 18 **12-15-20-2(8)(G)(i).".**
- 19 Page 30, line 11, after "1." insert **"(a)".**
- 20 Page 30, between lines 21 and 22, begin a new paragraph and insert:
- 21 **"(b) The term includes the following adults who do not live with**
- 22 **the child:**
- 23 **(1) A legal or biological parent who has partial custody or**
- 24 **visitation rights for the child.**
- 25 **(2) The spouse of a parent described in subdivision (1) who is**
- 26 **living with the parent described in subdivision (1).".**
- 27 Page 30, line 31, after "program." insert **"The office shall establish**
- 28 **standards for consumer protection and appeal procedures that**
- 29 **must include the following:**
- 30 **(1) Quality of care standards.**
- 31 **(2) A uniform process for participants' grievances.**
- 32 **(3) Standardized reporting of provider performance,**
- 33 **consumer experience, and cost."**
- 34 Page 31, line 7, delete "Disease" and insert **"Comprehensive**
- 35 **disease".**
- 36 Page 31, line 8, delete "." and insert **", including case**
- 37 **management."**
- 38 Page 31, between lines 9 and 10, begin a new line block indented

1 and insert:

2 **"(11) Preventive care services.**

3 **(12) Family planning services, including contraceptives and**
 4 **sexually transmitted disease testing, as described in federal**
 5 **Medicaid law.**

6 **(13) Hospice services.**

7 **(14) Substance abuse services.**

8 **(e) Mental health care services must include:**

9 **(1) full access to inpatient services and mental health drugs;**
 10 **and**

11 **(2) at least twelve (12) counseling visits and six (6) physician**
 12 **visits.**

13 **(f) The program must offer dental and vision services to**
 14 **individuals who pay an additional contribution as determined by**
 15 **the office but not to exceed five percent (5%) of the individual's**
 16 **income. The program must pay at least fifty percent (50%) of the**
 17 **cost of services but not to exceed the existing Medicaid rate for**
 18 **similar services.**

19 **(g) The program must comply with any health care coverage**
 20 **requirements required for an accident and sickness policy issued**
 21 **in the state. The program may not permit treatment limitations or**
 22 **financial requirements on the coverage of services for a mental**
 23 **illness or substance abuse if similar limitations or requirements are**
 24 **not imposed on the coverage of services for other medical or**
 25 **surgical conditions."**

26 Page 31, line 16, delete ":".

27 Page 31, line 17, delete "(A)".

28 Page 31, run in lines 16 through 17.

29 Page 31, line 18, delete "if the individual is a custodial" and insert
 30 ".,".

31 Page 31, delete lines 19 through 22.

32 Page 31, between lines 33 and 34, begin a new paragraph and insert:

33 **"(c) An individual's participation in the program does not begin**
 34 **until the individual has made the initial contribution to the**
 35 **individual's health care account."**

36 Page 31, line 41, delete ":".

37 Page 31, line 42, delete "(A)".

38 Page 31, run in lines 41 through 42.

Page 32, line 1, delete "but not more than five percent (5%)" and insert **"but:**

(A) not more than two percent (2%) if the individual has an annual household income of not more than one hundred fifty percent (150%) of the federal income poverty level;

(B) not more than three percent (3%) if the individual has an annual household income of more than one hundred fifty percent (150%) of the federal income poverty level but not more than two hundred percent (200%) of the federal income poverty; or".

Page 32, delete line 2.

Page 32, line 3, delete "(B)" and insert **"(C)".**

Page 32, line 9, delete "of five percent (5%) of the" and insert **"required under subsection (a)(2)(A)".**

Page 32, line 10, delete "individual's annual income".

Page 32, line 13, delete "thirty (30)" and insert **"sixty (60)".**

Page 32, line 19, delete "eighteen (18)" and insert **"three (3)".**

Page 32, line 20, delete "(e) An" and insert **"(e) Subject to appeal with the office, an".**

Page 32, line 24, after "account." insert **"An individual is not responsible for payment for emergency services outside of the health care account for a medical condition that arises suddenly and unexpectedly and manifests itself by acute symptoms of such severity, including severe pain, that the absence of immediate medical attention could reasonably be expected by a prudent lay person who possesses an average knowledge of health and medicine to:**

(1) place an individual's health in serious jeopardy;

(2) result in serious impairment to the individual's bodily functions; or

(3) result in serious dysfunction of a bodily organ or part of the individual.".

Page 33, line 37, delete "eighteen (18)" and insert **"three (3)".**

Page 34, line 15, after "individual" insert **"who has not been covered by a health care insurance policy in the previous six (6) months and".**

Page 34, line 18, delete "income" and insert **"income; however, standard underwriting principles must apply;".**

- 1 Page 34, line 19, delete "or because a slot is not available for the
- 2 individual;".
- 3 Page 34, between lines 21 and 22, begin a new line block indented
- 4 and insert:
- 5 **"(2) An individual who is not eligible for the program because**
- 6 **a slot is not available."**
- 7 Page 34, line 22, delete "(2)" and insert "(3)".
- 8 Page 34, line 28, delete "twelve (12)" and insert **"six (6)"**.
- 9 Page 34, between lines 32 and 33, begin a new paragraph and insert:
- 10 **"(c) An insurer or a health maintenance organization that has**
- 11 **contracted with the office to provide health insurance under the**
- 12 **program must incorporate cultural competency standards**
- 13 **established by the office. The standards must include standards for**
- 14 **non-English speaking, minority, and disabled populations."**
- 15 Page 34, line 38, delete "At" and insert **"For an individual who has**
- 16 **renewed their application and been accepted into the program, at"**.
- 17 Page 34, line 38, after "end" insert **"of"**.
- 18 Page 34, line 38, after "program" insert **"period, any money that is**
- 19 **remaining in the individual's health care account must be used to**
- 20 **reduce the individual's contributions for the subsequent program**
- 21 **period. However, if the individual did not use the amount required**
- 22 **for preventative services, the office's contribution in the account**
- 23 **may not be used to reduce the individual's contributions.**
- 24 **(c) If an individual is no longer eligible for the program or is**
- 25 **terminated from the program, the individual may withdraw the**
- 26 **money that is remaining in the account that the individual**
- 27 **contributed. The office shall determine the amount by prorating**
- 28 **the remaining amount in the account with the amount contributed**
- 29 **by the individual."**
- 30 Page 34, delete lines 39 through 42.
- 31 Page 35, delete lines 1 through 17.
- 32 Page 35, line 20, delete ":".
- 33 Page 35, delete lines 21 through 25.
- 34 Page 35, line 26, delete "(2)".
- 35 Page 35, run in lines 20 through 26.
- 36 Page 35, line 27, delete "if the" and insert ".".
- 37 Page 35, delete lines 28 through 31.
- 38 Page 35, delete line 42.

1 Page 36, delete lines 1 through 2.

2 Page 36, line 3, delete "apart" and insert "**separate**".

3 Page 37, delete lines 6 through 12, begin a new paragraph and

4 insert:

5 "**(d) The office of the secretary may refer an individual who:**

6 **(1) has applied for health insurance from the program under**
7 **section 12(b) of this chapter; and**

8 **(2) is at high risk of chronic disease;**

9 **to the program administered under IC 27-8-10.1."**

10 Page 37, between lines 16 and 17, begin a new paragraph and insert:

11 "**Sec. 17. The office shall promote the program and provide**
12 **information to potential eligible individuals who live in medically**
13 **underserved rural areas of the state.**

14 **Sec. 18. The office shall participate in a health information**
15 **technology program that focuses on ways to reduce medical errors**
16 **and reduce costs in the program.**

17 **Sec. 19. The office may develop a health insurance premium**
18 **assistance program for individuals who have an annual household**
19 **income of at least two hundred percent (200%) of the federal**
20 **income poverty level and are eligible for insurance through the**
21 **individual's employer but can not afford the health insurance**
22 **premiums. The program established under this section must**
23 **contain similar eligibility requirements as the program and include**
24 **a health savings account as a component. An individual's**
25 **contribution under this section may not exceed two percent (2%)**
26 **of the individual's annual income.**

27 **Sec. 20. (a) Contingent on approval and funding by the United**
28 **States Department of Health and Human Services and a sufficient**
29 **appropriation, the office shall develop a health care account**
30 **program for individuals who are at least eighteen (18) years of age**
31 **and have an annual household income of at least two hundred**
32 **percent (200%) but not more than three hundred percent (300%)**
33 **of the federal income poverty level.**

34 **(b) The office may not implement a program under this section**
35 **without approval from the general assembly."**

36 Page 40, between lines 19 and 20, begin a new paragraph and insert:

37 "**SECTION 29. IC 12-17.6-3-2 IS AMENDED TO READ AS**
38 **FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. (a) To be eligible to**

- 1 enroll in the program, a child must meet the following requirements:
- 2 (1) The child is less than nineteen (19) years of age.
- 3 (2) The child is a member of a family with an annual income of:
- 4 (A) more than one hundred fifty percent (150%); and
- 5 (B) not more than ~~two~~ **three** hundred percent ~~(200%);~~
- 6 **(300%);**
- 7 of the federal income poverty level.
- 8 (3) The child is a resident of Indiana.
- 9 (4) The child meets all eligibility requirements under Title XXI
- 10 of the federal Social Security Act.
- 11 (5) The child's family agrees to pay any cost sharing amounts
- 12 required by the office.

13 (b) The office may adjust eligibility requirements based on available

14 program resources under rules adopted under IC 4-22-2.

15 SECTION 30. IC 12-17.6-3-3 IS AMENDED TO READ AS

16 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. (a) Subject to

17 subsection (b), a child who is eligible for the program shall receive

18 services from the program until the earlier of the following:

19 (1) ~~The child becomes financially ineligible: end of a period of~~

20 **twelve (12) consecutive months following the determination of**

21 **the child's eligibility for the program.**

22 (2) The child becomes nineteen (19) years of age.

23 (b) Subsection (a) applies only if the child and the child's family

24 comply with enrollment requirements.

25 SECTION 33. IC 16-45-4 IS ADDED TO THE INDIANA CODE

26 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE

27 JULY 1, 2007]:

28 **Chapter 4. Rural Health Care Pilot Program Support Fund**

29 **Sec. 1. As used in this chapter, "office" means the office of**

30 **technology established by IC 4-13.1-2-1.**

31 **Sec. 2. As used in this chapter, "pilot program" refers to the**

32 **rural health care pilot program established by the Federal**

33 **Communications Commission under 47 U.S.C. 254(h)(A)(2) to**

34 **provide federal funding to support the construction of state or**

35 **regional broadband networks and the services provided over those**

36 **networks.**

37 **Sec. 3. (a) The rural health care pilot program support fund is**

38 **established for the purpose of making grants to Indiana health care**

1 providers who participate in the pilot program. The fund shall be
2 administered by the office.

3 (b) The expenses of administering the fund shall be paid from
4 the money in the fund.

5 (c) The fund consists of:

6 (1) money appropriated or otherwise designated or dedicated
7 by the general assembly; and

8 (2) gifts, grants, and bequests.

9 (d) Notwithstanding IC 5-13, the treasurer of state shall invest
10 the money in the fund not currently needed to meet the obligations
11 of the fund under IC 5-10.3-5. The treasurer of state may contract
12 with investment management professionals, investment advisers,
13 and legal counsel to assist in the management of the fund and may
14 pay the state expenses incurred under those contracts.

15 (e) Money in the fund at the end of a state fiscal year does not
16 revert to the state general fund.

17 Sec. 4. (a) The office must use money in the fund to make grants
18 to health care providers who participate in the pilot program. A
19 health care provider that receives a grant under this chapter must
20 use the grant money to make the local match required as a
21 condition of the provider's participation in the pilot program.

22 (b) The office may:

23 (1) prescribe grant application forms;

24 (2) establish grant application procedures; and

25 (3) take any other action necessary to implement this chapter.

26 SECTION 34. IC 16-18-2-163 IS AMENDED TO READ AS
27 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 163. (a) "Health care
28 provider", for purposes of IC 16-21 and IC 16-41, means any of the
29 following:

30 (1) An individual, a partnership, a corporation, a professional
31 corporation, a facility, or an institution licensed or legally
32 authorized by this state to provide health care or professional
33 services as a licensed physician, a psychiatric hospital, a hospital,
34 a health facility, an emergency ambulance service (IC 16-31-3),
35 a dentist, a registered or licensed practical nurse, a midwife, an
36 optometrist, a pharmacist, a podiatrist, a chiropractor, a physical
37 therapist, a respiratory care practitioner, an occupational therapist,
38 a psychologist, a paramedic, an emergency medical technician, an

1 emergency medical technician-basic advanced, an emergency
 2 medical technician-intermediate, or a person who is an officer,
 3 employee, or agent of the individual, partnership, corporation,
 4 professional corporation, facility, or institution acting in the
 5 course and scope of the person's employment.

6 (2) A college, university, or junior college that provides health
 7 care to a student, a faculty member, or an employee, and the
 8 governing board or a person who is an officer, employee, or agent
 9 of the college, university, or junior college acting in the course
 10 and scope of the person's employment.

11 (3) A blood bank, community mental health center, community
 12 mental retardation center, community health center, or migrant
 13 health center.

14 (4) A home health agency (as defined in IC 16-27-1-2).

15 (5) A health maintenance organization (as defined in
 16 IC 27-13-1-19).

17 (6) A health care organization whose members, shareholders, or
 18 partners are health care providers under subdivision (1).

19 (7) A corporation, partnership, or professional corporation not
 20 otherwise qualified under this subsection that:

21 (A) provides health care as one (1) of the corporation's,
 22 partnership's, or professional corporation's functions;

23 (B) is organized or registered under state law; and

24 (C) is determined to be eligible for coverage as a health care
 25 provider under IC 34-18 for the corporation's, partnership's, or
 26 professional corporation's health care function.

27 Coverage for a health care provider qualified under this subdivision is
 28 limited to the health care provider's health care functions and does not
 29 extend to other causes of action.

30 (b) "Health care provider", for purposes of IC 16-35, has the
 31 meaning set forth in subsection (a). However, for purposes of IC 16-35,
 32 the term also includes a health facility (as defined in section 167 of this
 33 chapter).

34 (c) "Health care provider", for purposes of IC 16-36-5, means an
 35 individual licensed or authorized by this state to provide health care or
 36 professional services as:

37 (1) a licensed physician;

38 (2) a registered nurse;

- (3) a licensed practical nurse;
- (4) an advanced practice nurse;
- (5) a licensed nurse midwife;
- (6) a paramedic;
- (7) an emergency medical technician;
- (8) an emergency medical technician-basic advanced;
- (9) an emergency medical technician-intermediate; or
- (10) a first responder, as defined under IC 16-18-2-131.

The term includes an individual who is an employee or agent of a health care provider acting in the course and scope of the individual's employment.

(d) "Health care provider", for purposes of IC 16-40-4, means any of the following:

- (1) An individual, a partnership, a corporation, a professional corporation, a facility, or an institution licensed or authorized by the state to provide health care or professional services as a licensed physician, a psychiatric hospital, a hospital, a health facility, an emergency ambulance service (IC 16-31-3), an ambulatory outpatient surgical center, a dentist, an optometrist, a pharmacist, a podiatrist, a chiropractor, a psychologist, or a person who is an officer, employee, or agent of the individual, partnership, corporation, professional corporation, facility, or institution acting in the course and scope of the person's employment.
- (2) A blood bank, laboratory, community mental health center, community mental retardation center, community health center, or migrant health center.
- (3) A home health agency (as defined in IC 16-27-1-2).
- (4) A health maintenance organization (as defined in IC 27-13-1-19).
- (5) A health care organization whose members, shareholders, or partners are health care providers under subdivision (1).
- (6) A corporation, partnership, or professional corporation not otherwise specified in this subsection that:
 - (A) provides health care as one (1) of the corporation's, partnership's, or professional corporation's functions;
 - (B) is organized or registered under state law; and
 - (C) is determined to be eligible for coverage as a health care

1 provider under IC 34-18 for the corporation's, partnership's, or
 2 professional corporation's health care function.

3 (7) A person that is designated to maintain the records of a person
 4 described in subdivisions (1) through (6).

5 **(e) "Health care provider", for purposes of IC 16-45-4, has the**
 6 **meaning set forth in 47 CFR 54.601(a).**

7 SECTION 35. IC 20-26-5-4, AS AMENDED BY P.L.168-2006,
 8 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 9 JULY 1, 2007]: Sec. 4. In carrying out the school purposes of a school
 10 corporation, the governing body acting on the school corporation's
 11 behalf has the following specific powers:

12 (1) In the name of the school corporation, to sue and be sued and
 13 to enter into contracts in matters permitted by applicable law.

14 (2) To take charge of, manage, and conduct the educational affairs
 15 of the school corporation and to establish, locate, and provide the
 16 necessary schools, school libraries, other libraries where
 17 permitted by law, other buildings, facilities, property, and
 18 equipment.

19 (3) To appropriate from the school corporation's general fund an
 20 amount, not to exceed the greater of three thousand dollars
 21 (\$3,000) per budget year or one dollar (\$1) per pupil, not to
 22 exceed twelve thousand five hundred dollars (\$12,500), based on
 23 the school corporation's previous year's ADM, to promote the best
 24 interests of the school corporation through:

25 (A) the purchase of meals, decorations, memorabilia, or
 26 awards;

27 (B) provision for expenses incurred in interviewing job
 28 applicants; or

29 (C) developing relations with other governmental units.

30 (4) To:

31 (A) Acquire, construct, erect, maintain, hold, and contract for
 32 construction, erection, or maintenance of real estate, real estate
 33 improvements, or an interest in real estate or real estate
 34 improvements, as the governing body considers necessary for
 35 school purposes, including buildings, parts of buildings,
 36 additions to buildings, rooms, gymnasiums, auditoriums,
 37 playgrounds, playing and athletic fields, facilities for physical
 38 training, buildings for administrative, office, warehouse, repair

1 activities, or housing school owned buses, landscaping, walks,
 2 drives, parking areas, roadways, easements and facilities for
 3 power, sewer, water, roadway, access, storm and surface
 4 water, drinking water, gas, electricity, other utilities and
 5 similar purposes, by purchase, either outright for cash (or
 6 under conditional sales or purchase money contracts providing
 7 for a retention of a security interest by the seller until payment
 8 is made or by notes where the contract, security retention, or
 9 note is permitted by applicable law), by exchange, by gift, by
 10 devise, by eminent domain, by lease with or without option to
 11 purchase, or by lease under IC 20-47-2, IC 20-47-3, or
 12 IC 20-47-5.

13 (B) Repair, remodel, remove, or demolish, or to contract for
 14 the repair, remodeling, removal, or demolition of the real
 15 estate, real estate improvements, or interest in the real estate
 16 or real estate improvements, as the governing body considers
 17 necessary for school purposes.

18 (C) Provide for conservation measures through utility
 19 efficiency programs or under a guaranteed savings contract as
 20 described in IC 36-1-12.5.

21 (5) To acquire personal property or an interest in personal
 22 property as the governing body considers necessary for school
 23 purposes, including buses, motor vehicles, equipment, apparatus,
 24 appliances, books, furniture, and supplies, either by cash purchase
 25 or under conditional sales or purchase money contracts providing
 26 for a security interest by the seller until payment is made or by
 27 notes where the contract, security, retention, or note is permitted
 28 by applicable law, by gift, by devise, by loan, or by lease with or
 29 without option to purchase and to repair, remodel, remove,
 30 relocate, and demolish the personal property. All purchases and
 31 contracts specified under the powers authorized under subdivision
 32 (4) and this subdivision are subject solely to applicable law
 33 relating to purchases and contracting by municipal corporations
 34 in general and to the supervisory control of state agencies as
 35 provided in section 6 of this chapter.

36 (6) To sell or exchange real or personal property or interest in real
 37 or personal property that, in the opinion of the governing body, is
 38 not necessary for school purposes, in accordance with IC 20-26-7,

1 to demolish or otherwise dispose of the property if, in the opinion
2 of the governing body, the property is not necessary for school
3 purposes and is worthless, and to pay the expenses for the
4 demolition or disposition.

5 (7) To lease any school property for a rental that the governing
6 body considers reasonable or to permit the free use of school
7 property for:

8 (A) civic or public purposes; or

9 (B) the operation of a school age child care program for
10 children who are at least five (5) years of age and less than
11 fifteen (15) years of age that operates before or after the school
12 day, or both, and during periods when school is not in session;
13 if the property is not needed for school purposes. Under this
14 subdivision, the governing body may enter into a long term lease
15 with a nonprofit corporation, community service organization, or
16 other governmental entity, if the corporation, organization, or
17 other governmental entity will use the property to be leased for
18 civic or public purposes or for a school age child care program.
19 However, if payment for the property subject to a long term lease
20 is made from money in the school corporation's debt service fund,
21 all proceeds from the long term lease must be deposited in the
22 school corporation's debt service fund so long as payment for the
23 property has not been made. The governing body may, at the
24 governing body's option, use the procedure specified in
25 IC 36-1-11-10 in leasing property under this subdivision.

26 (8) To:

27 (A) Employ, contract for, and discharge superintendents,
28 supervisors, principals, teachers, librarians, athletic coaches
29 (whether or not they are otherwise employed by the school
30 corporation and whether or not they are licensed under
31 IC 20-28-5), business managers, superintendents of buildings
32 and grounds, janitors, engineers, architects, physicians,
33 dentists, nurses, accountants, teacher aides performing
34 noninstructional duties, educational and other professional
35 consultants, data processing and computer service for school
36 purposes, including the making of schedules, the keeping and
37 analyzing of grades and other student data, the keeping and
38 preparing of warrants, payroll, and similar data where

- 1 approved by the state board of accounts as provided below,
2 and other personnel or services as the governing body
3 considers necessary for school purposes.
- 4 (B) Fix and pay the salaries and compensation of persons and
5 services described in this subdivision.
- 6 (C) Classify persons or services described in this subdivision
7 and to adopt schedules of salaries or compensation.
- 8 (D) Determine the number of the persons or the amount of the
9 services employed or contracted for as provided in this
10 subdivision.
- 11 (E) Determine the nature and extent of the duties of the
12 persons described in this subdivision.
- 13 The compensation, terms of employment, and discharge of
14 teachers are, however, subject to and governed by the laws
15 relating to employment, contracting, compensation, and discharge
16 of teachers. The compensation, terms of employment, and
17 discharge of bus drivers are subject to and governed by laws
18 relating to employment, contracting, compensation, and discharge
19 of bus drivers. The forms and procedures relating to the use of
20 computer and data processing equipment in handling the financial
21 affairs of the school corporation must be submitted to the state
22 board of accounts for approval so that the services are used by the
23 school corporation when the governing body determines that it is
24 in the best interest of the school corporation while at the same
25 time providing reasonable accountability for the funds expended.
- 26 (9) Notwithstanding the appropriation limitation in subdivision
27 (3), when the governing body by resolution considers a trip by an
28 employee of the school corporation or by a member of the
29 governing body to be in the interest of the school corporation,
30 including attending meetings, conferences, or examining
31 equipment, buildings, and installation in other areas, to permit the
32 employee to be absent in connection with the trip without any loss
33 in pay and to reimburse the employee or the member the
34 employee's or member's reasonable lodging and meal expenses
35 and necessary transportation expenses. To pay teaching personnel
36 for time spent in sponsoring and working with school related trips
37 or activities.
- 38 (10) To transport children to and from school, when in the

1 opinion of the governing body the transportation is necessary,
2 including considerations for the safety of the children and without
3 regard to the distance the children live from the school. The
4 transportation must be otherwise in accordance with applicable
5 law.

6 (11) To provide a lunch program for a part or all of the students
7 attending the schools of the school corporation, including the
8 establishment of kitchens, kitchen facilities, kitchen equipment,
9 lunch rooms, the hiring of the necessary personnel to operate the
10 lunch program, and the purchase of material and supplies for the
11 lunch program, charging students for the operational costs of the
12 lunch program, fixing the price per meal or per food item. To
13 operate the lunch program as an extracurricular activity, subject
14 to the supervision of the governing body. To participate in a
15 surplus commodity or lunch aid program.

16 (12) To purchase textbooks, to furnish textbooks without cost or
17 to rent textbooks to students, to participate in a textbook aid
18 program, all in accordance with applicable law.

19 (13) To accept students transferred from other school corporations
20 and to transfer students to other school corporations in accordance
21 with applicable law.

22 (14) To make budgets, to appropriate funds, and to disburse the
23 money of the school corporation in accordance with applicable
24 law. To borrow money against current tax collections and
25 otherwise to borrow money, in accordance with IC 20-48-1.

26 (15) To purchase insurance or to establish and maintain a
27 program of self-insurance relating to the liability of the school
28 corporation or the school corporation's employees in connection
29 with motor vehicles or property and for additional coverage to the
30 extent permitted and in accordance with IC 34-13-3-20. To
31 purchase additional insurance or to establish and maintain a
32 program of self-insurance protecting the school corporation and
33 members of the governing body, employees, contractors, or agents
34 of the school corporation from liability, risk, accident, or loss
35 related to school property, school contract, school or school
36 related activity, including the purchase of insurance or the
37 establishment and maintenance of a self-insurance program
38 protecting persons described in this subdivision against false

1 imprisonment, false arrest, libel, or slander for acts committed in
 2 the course of the persons' employment, protecting the school
 3 corporation for fire and extended coverage and other casualty
 4 risks to the extent of replacement cost, loss of use, and other
 5 insurable risks relating to property owned, leased, or held by the
 6 school corporation. To:

7 (A) participate in a state employee health plan under
 8 IC 5-10-8-6.6;

9 (B) purchase insurance; ~~or~~

10 (C) establish and maintain a program of self-insurance; **or**

11 **(D) participate in a state employee health plan under**
 12 **IC 5-10-8-6.7;**

13 to benefit school corporation employees, including accident,
 14 sickness, health, or dental coverage, provided that a plan of
 15 self-insurance must include an aggregate stop-loss provision.

16 (16) To make all applications, to enter into all contracts, and to
 17 sign all documents necessary for the receipt of aid, money, or
 18 property from the state, the federal government, or from any other
 19 source.

20 (17) To defend a member of the governing body or any employee
 21 of the school corporation in any suit arising out of the
 22 performance of the member's or employee's duties for or
 23 employment with, the school corporation, if the governing body
 24 by resolution determined that the action was taken in good faith.
 25 To save any member or employee harmless from any liability,
 26 cost, or damage in connection with the performance, including the
 27 payment of legal fees, except where the liability, cost, or damage
 28 is predicated on or arises out of the bad faith of the member or
 29 employee, or is a claim or judgment based on the member's or
 30 employee's malfeasance in office or employment.

31 (18) To prepare, make, enforce, amend, or repeal rules,
 32 regulations, and procedures:

33 (A) for the government and management of the schools,
 34 property, facilities, and activities of the school corporation, the
 35 school corporation's agents, employees, and pupils and for the
 36 operation of the governing body; and

37 (B) that may be designated by an appropriate title such as
 38 "policy handbook", "bylaws", or "rules and regulations".

(19) To ratify and approve any action taken by a member of the governing body, an officer of the governing body, or an employee of the school corporation after the action is taken, if the action could have been approved in advance, and in connection with the action to pay the expense or compensation permitted under IC 20-26-1 through IC 20-26-5, IC 20-26-7, IC 20-40-12, and IC 20-48-1 or any other law.

(20) To exercise any other power and make any expenditure in carrying out the governing body's general powers and purposes provided in this chapter or in carrying out the powers delineated in this section which is reasonable from a business or educational standpoint in carrying out school purposes of the school corporation, including the acquisition of property or the employment or contracting for services, even though the power or expenditure is not specifically set out in this chapter. The specific powers set out in this section do not limit the general grant of powers provided in this chapter except where a limitation is set out in IC 20-26-1 through IC 20-26-5, IC 20-26-7, IC 20-40-12, and IC 20-48-1 by specific language or by reference to other law.

SECTION 36. IC 27-8-5-2, AS AMENDED BY P.L.125-2005, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. (a) No individual policy of accident and sickness insurance shall be delivered or issued for delivery to any person in this state unless it complies with each of the following:

(1) The entire money and other considerations for the policy are expressed in the policy.

(2) The time at which the insurance takes effect and terminates is expressed in the policy.

(3) The policy purports to insure only one (1) person, except that a policy ~~may~~ **must** insure, originally or by subsequent amendment, upon the application of any member of a family who shall be deemed the policyholder and who is at least eighteen (18) years of age, any two (2) or more eligible members of that family, including husband, wife, dependent children, or any children ~~under a specified age, which shall not exceed nineteen (19) who~~ **are less than twenty-four (24) years of age**, and any other person dependent upon the policyholder.

(4) The style, arrangement, and overall appearance of the policy

1 give no undue prominence to any portion of the text, and unless
2 every printed portion of the text of the policy and of any
3 endorsements or attached papers is plainly printed in lightface
4 type of a style in general use, the size of which shall be uniform
5 and not less than ten point with a lower-case unspaced alphabet
6 length not less than one hundred and twenty point (the "text" shall
7 include all printed matter except the name and address of the
8 insurer, name or title of the policy, the brief description if any,
9 and captions and subcaptions).

10 (5) The exceptions and reductions of indemnity are set forth in the
11 policy and, except those which are set forth in section 3 of this
12 chapter, are printed, at the insurer's option, either included with
13 the benefit provision to which they apply, or under an appropriate
14 caption such as "EXCEPTIONS", or "EXCEPTIONS AND
15 REDUCTIONS", provided that if an exception or reduction
16 specifically applies only to a particular benefit of the policy, a
17 statement of such exception or reduction shall be included with
18 the benefit provision to which it applies.

19 (6) Each such form of the policy, including riders and
20 endorsements, shall be identified by a form number in the lower
21 left-hand corner of the first page of the policy.

22 (7) The policy contains no provision purporting to make any
23 portion of the charter, rules, constitution, or bylaws of the insurer
24 a part of the policy unless such portion is set forth in full in the
25 policy, except in the case of the incorporation of or reference to
26 a statement of rates or classification of risks, or short-rate table
27 filed with the commissioner.

28 (8) If an individual accident and sickness insurance policy or
29 hospital service plan contract or medical service plan contract
30 provides that hospital or medical expense coverage of a
31 dependent child terminates upon attainment of the limiting age for
32 dependent children specified in such policy or contract, the policy
33 or contract must also provide that attainment of such limiting age
34 does not operate to terminate the hospital and medical coverage
35 of such child while the child is and continues to be both:

36 (A) incapable of self-sustaining employment by reason of
37 mental retardation or mental or physical disability; and

38 (B) chiefly dependent upon the policyholder for support and

1 maintenance.
 2 Proof of such incapacity and dependency must be furnished to the
 3 insurer by the policyholder within thirty-one (31) days of the
 4 child's attainment of the limiting age. The insurer may require at
 5 reasonable intervals during the two (2) years following the child's
 6 attainment of the limiting age subsequent proof of the child's
 7 disability and dependency. After such two (2) year period, the
 8 insurer may require subsequent proof not more than once each
 9 year. The foregoing provision shall not require an insurer to
 10 insure a dependent who is a mentally retarded or mentally or
 11 physically disabled child where such dependent does not satisfy
 12 the conditions of the policy provisions as may be stated in the
 13 policy or contract required for coverage thereunder to take effect.
 14 In any such case the terms of the policy or contract shall apply
 15 with regard to the coverage or exclusion from coverage of such
 16 dependent. This subsection applies only to policies or contracts
 17 delivered or issued for delivery in this state more than one
 18 hundred twenty (120) days after August 18, 1969.

19 (b) If any policy is issued by an insurer domiciled in this state for
 20 delivery to a person residing in another state, and if the official having
 21 responsibility for the administration of the insurance laws of such other
 22 state shall have advised the commissioner that any such policy is not
 23 subject to approval or disapproval by such official, the commissioner
 24 may by ruling require that such policy meet the standards set forth in
 25 subsection (a) and in section 3 of this chapter.

26 (c) An insurer may issue a policy described in this section in
 27 electronic or paper form. However, the insurer shall:

- 28 (1) inform the insured that the insured may request the policy in
- 29 paper form; and
- 30 (2) issue the policy in paper form upon the request of the
- 31 insured."

32 Page 45, between lines 23 and 24, begin a new paragraph and insert:

33 "SECTION 36. IC 27-8-5-28 IS ADDED TO THE INDIANA CODE
 34 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 35 1, 2007]: **Sec. 28. A policy of accident and sickness insurance may**
 36 **not be issued, delivered, amended, or renewed unless the policy**
 37 **provides for coverage of a child of the policyholder or certificate**
 38 **holder, upon request of the policyholder or certificate holder, until**

1 **the date that the child becomes twenty-four (24) years of age."**

2 Page 46, between lines 7 and 8, begin a new paragraph and insert:

3 "SECTION 38. IC 27-13-7-3 IS AMENDED TO READ AS
4 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. (a) A contract
5 referred to in section 1 of this chapter must clearly state the following:

6 (1) The name and address of the health maintenance organization.

7 (2) Eligibility requirements.

8 (3) Benefits and services within the service area.

9 (4) Emergency care benefits and services.

10 (5) Any out-of-area benefits and services.

11 (6) Copayments, deductibles, and other out-of-pocket costs.

12 (7) Limitations and exclusions.

13 (8) Enrollee termination provisions.

14 (9) Any enrollee reinstatement provisions.

15 (10) Claims procedures.

16 (11) Enrollee grievance procedures.

17 (12) Continuation of coverage provisions.

18 (13) Conversion provisions.

19 (14) Extension of benefit provisions.

20 (15) Coordination of benefit provisions.

21 (16) Any subrogation provisions.

22 (17) A description of the service area.

23 (18) The entire contract provisions.

24 (19) The term of the coverage provided by the contract.

25 (20) Any right of cancellation of the group or individual contract
26 holder.

27 (21) Right of renewal provisions.

28 (22) Provisions regarding reinstatement of a group or an
29 individual contract holder.

30 (23) Grace period provisions.

31 (24) A provision on conformity with state law.

32 (25) A provision or provisions that comply with the:

33 (A) guaranteed renewability; and

34 (B) group portability;

35 requirements of the federal Health Insurance Portability and
36 Accountability Act of 1996 (26 U.S.C. 9801(c)(1)).

37 **(26) That the contract provides, upon request of the**
38 **subscriber, coverage for a child of the subscriber until the**

1 **date the child becomes twenty-four (24) years of age.**

2 (b) For purposes of subsection (a), an evidence of coverage which
3 is filed with a contract may be considered part of the contract.

4 **SECTION 39. [EFFECTIVE JULY 1, 2007] The state personnel**
5 **department shall implement the requirements of IC 5-10-8-6.7 and**
6 **IC 5-10-8-6.8, both as added by this act, not later than July 1, 2008.**

7 **SECTION 40. [EFFECTIVE JULY 1, 2007] IC 6-3.1-31, as added**
8 **by this act, applies to taxable years beginning after December 31,**
9 **2007.**

10 **SECTION 41. [EFFECTIVE UPON PASSAGE] (a) As used in this**
11 **SECTION, "office" refers to the office of Medicaid policy and**
12 **planning established by IC 12-8-6-1.**

13 **(b) The office shall apply to the United States Department of**
14 **Health and Human Services for any amendment to the state**
15 **Medicaid plan or demonstration waiver that is needed to do the**
16 **following:**

17 **(1) Implement IC 12-17.6-3-2 and IC 12-15-2-13, both as**
18 **amended by this act.**

19 **(2) Provide for presumptive eligibility for a pregnant woman**
20 **described in IC 12-15-2-13, as amended by this act.**

21 **(c) The office may not implement the amendment or waiver**
22 **until the office files an affidavit with the governor attesting that the**
23 **amendment or waiver applied for under this SECTION is in effect.**
24 **The office shall file the affidavit under this subsection not more**
25 **than five (5) days after the office is notified that the amendment or**
26 **waiver is approved.**

27 **(d) If the office receives approval for the amendment or waiver**
28 **under this SECTION from the United States Department of Health**
29 **and Human Services and the governor receives the affidavit filed**
30 **under subsection (c), the office shall implement the amendment or**
31 **waiver not more than sixty (60) days after the governor receives**
32 **the affidavit.**

33 **(e) The office may adopt rules under IC 4-22-2 to implement this**
34 **SECTION.**

35 **SECTION 42. [EFFECTIVE JULY 1, 2007] (a) IC 27-8-5-2, as**
36 **amended by this act, and IC 27-8-5-28, as added by this act, apply**
37 **to a policy of accident and sickness insurance that is issued,**
38 **delivered, amended, or renewed after June 30, 2007.**

(b) IC 27-13-7-3, as amended by this act, applies to a health maintenance organization contract that is entered into, delivered, amended, or renewed after June 30, 2007.

SECTION 43. [EFFECTIVE JULY 1, 2007] (a) There is appropriated to the office of Medicaid policy and planning from the healthier Indiana insurance trust fund (as established by IC 12-15-44-14, as added by this act) fifteen million dollars (\$15,000,000) for the period beginning July 1, 2007, and ending June 30, 2009, to provide funding to increase reimbursement rates under the state Medicaid program (IC 12-15) and the children's health insurance program (IC 12-17.6) for services provided by primary care physicians who are licensed under IC 25-22.5.

(b) There is appropriated to the rural health care pilot program support fund (as established by IC 16-45-4-3, as added by this act) from the healthier Indiana insurance trust fund (as established by IC 12-15-44-14, as added by this act) two hundred fifty thousand dollars (\$250,000) for the period beginning July 1, 2007, and ending June 30, 2009, to provide funding for the purpose of making grants to Indiana health care providers who participate in the rural health care pilot program.

(c) This SECTION expires July 1, 2009.

SECTION 44. [EFFECTIVE JULY 1, 2007] (a) The definitions under IC 12-15-44 apply to this SECTION.

(b) As used in this SECTION, "task force" refers to the healthier Indiana insurance program task force established by subsection (c).

(c) The healthier Indiana insurance program task force is established to:

- (1) study, monitor, provide guidance, and make recommendations to the state concerning the healthier Indiana insurance program;
- (2) develop methods to increase availability of affordable coverage for health care services for all Indiana residents;
- (3) develop an education and orientation program for individuals participating in the program; and
- (4) make recommendations to the legislative council.

(d) The task force:

- (1) shall operate under the policies governing study

1 committees adopted by the legislative council; and

2 (2) may request funding from the legislative council to hire
3 consultants.

4 (e) The affirmative votes of a majority of the voting members
5 appointed to the task force are required for the task force to take
6 action on any measure, including final reports.

7 (f) The office shall provide administrative assistance to and staff
8 the task force.

9 (g) The task force consists of the following voting members:

10 (1) Eleven (11) members appointed by the speaker of the
11 house of representatives, three (3) of whom are appointed
12 based on the recommendation of the minority leader of the
13 house of representatives and none of whom are legislators.

14 (2) Eleven (11) members appointed by the president pro
15 tempore of the senate, three (3) of whom are appointed based
16 on the recommendation of the minority leader of the senate
17 and none of whom are legislators.

18 (h) In making appointments under subsection (g), the speaker
19 of the house of representatives shall appoint members representing
20 the interests listed in subdivisions (1) through (5) and the president
21 pro tempore of the senate shall each appoint members representing
22 the interests listed in subdivisions (6) through (11) as follows:

23 (1) Hospitals.

24 (2) Insurance companies.

25 (3) Primary care providers.

26 (4) Health professionals who are not primary care providers.

27 (5) Minority health concern experts.

28 (6) Business.

29 (7) Organized labor.

30 (8) Consumers.

31 (9) Children's health issues.

32 (10) Adult health issues.

33 (11) Health marketing and public relations.

34 (i) The chairman of the legislative council shall appoint the
35 chairperson of the task force.

36 (j) The task force shall report findings and make
37 recommendations in a final report to the legislative council in an
38 electronic format under IC 5-14-6 before November 1, 2008.

1 (k) The task force expires November 1, 2008, unless the
 2 legislative council extends the work of the task force until
 3 November 1, 2009. If the legislative council extends the work of the
 4 task force until November 1, 2009, the task force shall submit
 5 additional findings and recommendations in a final report before
 6 November 1, 2009.

7 (l) The task force members are not eligible for per diem
 8 reimbursement or reimbursement for expenses incurred for travel
 9 to and from task force meetings.

10 (m) This SECTION expires January 1, 2010."

11 Page 46, line 20, delete ":".

12 Page 46, line 21, delete "(A)".

13 Page 46, run in lines 20 through 21.

14 Page 46, line 22, delete "if the individual is a custodial" and insert
 15 ".".

16 Page 46, delete lines 23 through 26.

17 Renumber all SECTIONS consecutively.

(Reference is to SB 503 as reprinted February 20, 2007.)

and when so amended that said bill do pass.

Representative Brown C